

## SENATE BILL NO. 261

INTRODUCED BY PERRY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCEDURES FOR DECLARING A MANUFACTURED HOME TO BE AN IMPROVEMENT TO REAL PROPERTY FOR TAX PURPOSES; REVISING THE PROCEDURES FOR REVERSING THE DECLARATION THAT A MANUFACTURED HOME IS AN IMPROVEMENT TO REAL PROPERTY FOR TAX PURPOSES; AMENDING SECTIONS 15-1-116 AND 70-1-106, MCA; AND REPEALING SECTION 15-1-117, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-1-116, MCA, is amended to read:

**"15-1-116. Manufactured home considered as improvement to real property -- requirements. (1)**

A manufactured home ~~will~~ must be considered ~~for tax purposes~~ an improvement to real property for tax purposes if:

(a) the running gear is removed; ~~and~~

(b) the manufactured home is attached to a permanent foundation so that it is no longer capable of being drawn over public highways and it is placed on land that is owned or being purchased by the owner of the manufactured home or, if the land is owned by another person, it is placed on the land with the permission of the landowner; and

(c) a statement of intent declaring the manufactured home as an improvement to real property is recorded with the county clerk and recorder on a form furnished by the department of justice.

(2) (a) To eliminate a manufacturer's certificate of origin properly assigned to an owner or a certificate of title of a manufactured home, an owner ~~may~~ shall file RECORD a the statement of intent, as provided in subsection (3) on a form furnished by the department of justice.

~~(3)(b)~~ The statement of intent must include:

~~(a)~~(i) the serial number of the manufactured home;

~~(b)~~(ii) the legal description of the real property to which the manufactured home has been permanently attached;

~~(c)~~(iii) a description of any security interests in the manufactured home; ~~and~~

~~(d)~~(iv) approval from all lienholders of the intent to eliminate the certificate of origin or certificate of title;

and

(v) an acknowledgment of the owner's signature.

~~(4)~~(3) (a) The ~~owner shall present the~~ OWNER SHALL RECORD THE statement of intent ~~must be presented~~  
to IN THE OFFICE OF the county ~~treasurer~~ clerk and recorder of the county in which the ~~manufactured home~~ REAL  
PROPERTY is located, and the owner shall surrender the certificate of origin or certificate of title AND A CERTIFIED  
COPY OF THE RECORDED STATEMENT OF INTENT to the county treasurer. The clerk and recorder shall provide a copy  
of the statement of intent to the department and the county treasurer. Upon payment Within 10 days of receipt  
of the fee required in 61-3-203, the county treasurer shall:

(i) enter the transfer of interest on the electronic record of title;

(ii) issue the owner a transaction summary receipt; and

(iii) forward ~~the~~ a CERTIFIED copy of the statement of intent, A COPY OF THE RECEIPT FOR THE FEE REQUIRED  
IN 61-3-203, and the surrendered certificate of origin or certificate of title to the department of justice.

(b) The department of justice shall provide the owner with a statement that is in a recordable form,  
WHICH THE OWNER SHALL RECORD, that the process of surrendering the certificate of origin or certificate of title has  
been completed.

~~(b)~~(c) The county treasurer may not issue ~~the~~ a receipt for the fee referred to in subsection (3)(a) unless  
all taxes, interest, and penalties on the manufactured home have been paid in full. The county treasurer shall  
remit the fee to the department for deposit in the state general fund.

~~(5)~~(4) Upon the recording of the statement of intent AND THE STATEMENT OF TITLE ACCEPTANCE PROVIDED  
FOR IN SUBSECTION (3)(B) and the receipt of surrender of the certificate of origin or certificate of title, the  
manufactured home may not be physically removed without ~~the consent of all persons who have an interest in~~  
~~the manufactured home~~ complying with the provisions of [section 2].

~~(6)~~(5) A manufactured home that has been declared an improvement to real property in accordance  
with this section must be treated by the department and by lending institutions in the same manner as any other  
residence that is classified as an improvement TO REAL PROPERTY. On any assessment or tax roll, the  
department and the county treasurer shall identify the manufactured home as real property for tax purposes."

**NEW SECTION. Section 2. Reversal of declaration that manufactured home is real property. (1)**

A manufactured home previously declared to be real property under the provisions of 15-1-116 must be

1 considered as personal property for tax purposes if:

2 (a) the manufactured home is removed from its permanent foundation and running gear is attached so  
3 that it is capable of being moved over public highways; and

4 (b) the owner ~~files~~ RECORDS a statement of reversal of declaration, on a form provided by the  
5 department of justice, with the county clerk and recorder of the county in which the manufactured home has  
6 been located and treated as real property.

7 (2) (a) In order to ~~have restored a manufacturer's certificate of origin properly assigned to an owner or~~  
8 RESTORE a certificate of title of a manufactured home, the owner shall file a statement of reversal of declaration  
9 as provided in subsection (3).

10 (b) The statement of reversal of declaration must include:

11 (i) the serial number of the manufactured home;

12 (ii) the legal description of the real property from which the manufactured home will be removed;

13 (iii) a description of any security interests in the manufactured home or real property from which it will  
14 be removed;

15 (iv) approval from all lienholders of the intent to restore the certificate of origin or certificate of title; and

16 (v) an acknowledgment of the owner's signature.

17 (3) (a) The statement of reversal of declaration must be presented to the county clerk and recorder of  
18 the county in which the manufactured home was treated as real property. The clerk and recorder shall forward  
19 a copy of the statement to the department ~~and to the county treasurer~~ OF JUSTICE. ~~The county treasurer~~  
20 DEPARTMENT OF JUSTICE shall provide the owner with a restored certificate of origin or certificate of title.

21 (b) Within 5 days of receipt of the fee required in 61-3-203, the county treasurer shall:

22 (i) enter the transfer of interest on the electronic record of title;

23 (ii) issue the owner a transaction summary receipt; and

24 (iii) forward the statement of reversal of declaration to the department of justice.

25 (c) The county treasurer may not issue the transaction summary receipt unless all taxes, interest, and  
26 penalties on the ~~manufactured home~~ REAL PROPERTY have been paid.

27 (d) The department of justice shall provide to the owner a statement in recordable form, WHICH THE  
28 OWNER SHALL RECORD, that the process of restoring the certificate of origin or certificate of title has been  
29 completed.

30 (4) A manufactured home may be physically removed from the real property on which it was located

1 when it was treated as real property upon the owner's compliance with the provisions of subsections (1) through  
2 (3) and other applicable state law.

3 (5) A manufactured home that has been declared personal property in accordance with this section  
4 must be treated by the department and lending institutions in the same manner as any other residence that is  
5 classified as personal property. ~~On any assessment or tax roll, the department and the county treasurer shall~~  
6 ~~identify the manufactured home as personal property for tax purposes.~~

7  
8 **Section 3.** Section 70-1-106, MCA, is amended to read:

9 **"70-1-106. Real property defined.** Real or immovable property consists of:

10 (1) land;

11 (2) that which is affixed to land, including a manufactured home declared an improvement to real  
12 property under 15-1-116;

13 (3) that which is incidental or appurtenant to land;

14 (4) that which is immovable by law."  
15

16 NEW SECTION. **Section 4. Repealer.** Section 15-1-117, MCA, is repealed.  
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18 NEW SECTION. **Section 5. Codification instruction.** [Section 2] is intended to be codified as an  
19 integral part of Title 15, chapter 1, part 1, and the provisions of Title 15, chapter 1, part 1, apply to [section 2].  
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